Congress of the United States Washington, DC 20515

February 15, 2022

The Honorable Joseph Biden President of the United States The White House 1600 Pennsylvania Avenue N.W. Washington, D.C. 20500

Dear President Biden:

We write to express our concern regarding our trade relationship with China and urge you to work with U.S. Secretary of Agriculture Thomas J. Vilsack and U.S. Trade Representative Katherine Tai to make the U.S.-China agricultural trade relationship more balanced and reciprocal.

More than two years ago, on January 15, 2020, the United States and China signed the two-year Phase One trade deal which, among other things, required China to make structural reforms to its trade regime and import \$73.9 billion of U.S. agricultural products. As you know, China failed to meet their commitment to the U.S. to purchase additional agricultural goods by nearly \$16 billion in 2020 and 2021 combined. We are concerned that China has not lived up to its Phase One commitments, and that your administration has not sufficiently reported to Congress on China's compliance, brought forward enforcement actions on China shortcomings, nor sought to negotiate new commitments from China, including on agriculture.

America must vigorously enforce its trade commitments. When asked whether the U.S. would enforce the Phase One trade deal with China, Secretary Vilsack stated, "Ambassador Tai. . .continues to converse with China about the necessity of living up totally and completely to the Phase One trade agreement, making up that \$16 billion deficit over the course of the next several years.²" When China agreed to purchase \$73.9 billion in agricultural goods over the course of two years and failed to do so, it violated the terms of the Phase One agreement. As such, the U.S. should fully enforce the agreement and receive damages from China for China's failure to perform.

¹ U.S. Trade Representative, Economic and Trade Agreement Between the United States of America and the People's Republic of China, https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Phase_One_Agreement-Ag_Summary_Long_Fact_Sheet.pdf. January 15, 2020.

² Farm Journal, *White House Will Push China to Make Up for \$16B Trade Deficit in Phase One*, https://www.agweb.com/news/policy/politics/white-house-will-push-china-make-16b-trade-deficit-phase-one-vilsack-tells, January 11, 2022; House Agriculture Committee, *Hearing to Review the State of the Rural Economy with Agriculture Secretary Tom Vilsack*, https://agriculture.house.gov/calendar/eventsingle.aspx?EventID=2403. January 20, 2022.

America must pursue a new trade agreement with China and seek to negotiate alternative trade agreements with other countries that can expand U.S. agricultural market access abroad. While we recognize that China imported significantly more U.S. agricultural products in 2020 and again in 2021³ than any other year in history, we also recognize that the amount was not as promised, inflation is at a 40-year-high, and fertilizer costs are four or five times higher than this time last year. We are concerned that the lack of enforcement action will set a detrimental precedent for future trade negotiations.

It is with these concerns in mind that we ask for your detailed responses to the following questions:

- 1. How will your administration report to Congress on areas in which China has fallen short of its obligations under the Phase One trade deal?
- 2. Did your administration ever use the enforcement mechanism in the Phase One deal to address China's violations of the agreement? If not, what are the actions your administration is taking to immediately hold China accountable?
- 3. Is your administration considering negotiations of a new fully enforceable deal that further levels the playing field with China to ensure China continues to purchase and import American agricultural goods?
- 4. In September 2021, Secretary Vilsack mentioned that you were in the final stages of vetting and nominating a U.S. Department of Agriculture Under Secretary for Trade and Foreign Agricultural Affairs. When do you intend to make your final nomination for this position?

Again, we urge you to take immediate steps to rectify the unbalanced agricultural trade relationship with China; work towards new enforceable commitments from China; and pursue additional trade deals with other markets amenable to U.S. agricultural goods. Any solution must address the full suite of issues including market access, administrative licensing, procurement, and localization—in a comprehensive and holistic manner. You must act now for America's farmers, ranchers, and producers.

We look forward to your timely reply.

Sincerely,

Tracey Mann

Member of Congress

Ken Calvert

Member of Congress

Darrell Issa

Member of Congress

August Pfluger

Member of Congress

Member of Congress

Jeff Fortenberry

Member of Congress

Kevin McCarthy Member of Congress

Sam Graves

Member of Congress

Louie Gohmert

Member of Congress

³ U.S. Department of Agriculture Foreign Agricultural Service, *China*, https://www.fas.usda.gov/regions/china. January 2022.

Cathy McMorris Rodgers Member of Congress

Eric A. "Rick" Crawford Member of Congress

Austin Scott Austin Scott Member of Congress

Doug LaMalfa Member of Congress

Roger Williams
Member of Congress

Sal Z Bully Cate Buddy Carter Member of Congress

Don Bacon Member of Congress

Ralph Norman Member of Congress

Tim Burchett Member of Congress Bill Posey
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Bob Gibbs Member of Congress

Andy Barr Member of Congress

Ann Wagner
Member of Congress

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Dan Newhouse Member of Congress

Jim Banks Member of Congress

Michael Cloud Member of Congress

Ben Cline
Member of Congress

Tim Walberg Member of Congress

Vicky Hartzler

Member of Congress

Rodney Davis Member of Congress

Randy Weber
Member of Congress

Ken Buck
Member of Congress

David G. Valadao Member of Congress

Clay Higgins
Member of Congress

Troy Balderson Member of Congress

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Julia Letlow Member of Congress	Jake Ellzey Member of Congress	Chris Stewart Member of Congress